

EXHIBIT T-1

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[1]
[2] UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
[3]
[4] DEBORAH DONOGHUE, :
[5] Plaintiff, :
[6] -against- Case No. :
[7] LOCAL.COM CORPORATION and HEARST 07CIV8550(LBS)
COMMUNICATIONS, INC., :
[8] Defendants. :
[9]
[10] DEPOSITION of DOUGLAS NORMAN, taken by
[11] Plaintiff at the offices of Kramer, Levin, Naftalis &
[12] Frankel, LLP, 1177 Avenue of the Americas, New York,
[13] New York 10036, on Thursday, May 15, 2008 commencing
[14] at 10:10 o'clock a.m., before Janine Figliozzi, a
[15] Shorthand (Stenotype) Reporter and Notary Public
[16] within and for the State of New York.
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[1]
[2]
[3] APPEARANCES:
[4]
DAVID LOPEZ, ESQ.
[5] Attorneys for Plaintiff
171 Edge of Woods Road
[6] Southampton, New York 11968
[7]
[8] GREENBERG TRAURIG, LLP
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BY: ALAN MANSFIELD, Esq., of Counsel
[11] WILLIAM A. WARGO, Esq., of Counsel
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KRAMER, LEVIN, NAFTALIS & FRANKEL, LLP
[13] Attorneys for Local.com
1177 Avenue of the Americas
[14] New York, New York 10036
[15] BY: JONATHAN L. FRIED, Esq., of Counsel
[16]
ALSO PRESENT:
[17]
Jack Spizz, Esq., Office of General
[18] Hearst Corporation
[19]
[20]
[21]
[22]
[23]
[24]
[25]

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[1] **Norman**
[2] DOUGLAS NORMAN, called as a
[3] witness, having been first duly sworn by
[4] Janine Figliozzi a Notary Public within
[5] and for the State of New York, was
[6] examined and testified as follows:
[7] **DIRECT EXAMINATION BY MR. LOPEZ:**
[8] **Q:** Please state your name.
[9] **A:** Douglas St. John Norman.
[10] **Q:** Do you appear today for Local.com?
[11] **A:** Yes.
[12] **Q:** What is your relationship to
[13] Local.com?
[14] **A:** I am the chief financial officer
[15] and secretary.
[16] **Q:** What was your relationship to
[17] Local.com on July 31, 2007?
[18] **A:** Same.
[19] **Q:** August 1, 2007?
[20] **A:** Same.
[21] **Q:** Did you participate in the sale
[22] and issuance of 2,356,900 shares of common stock
[23] by Local.com on or about July 31, August 1,
[24] 2,007?
[25] **A:** Yes.

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Norman

[1] **Q:** In what capacity did you
[2] participate?
[3] **A:** Well, I helped put the whole
[4] process.
[5] **Q:** You supervised the process of
[6] issuance?
[7] **A:** I was one of the people, yes.
[8] **Q:** Who were the others?
[9] **A:** Well, there is David Katzoff who
[10] is a consultant. Then, of course, the board of
[11] directors and the other officers of the company.
[12] **Q:** Did there come a time when
[13] instructions were given to Local.com's transfer
[14] agent to issue the shares?
[15] **A:** Yes.
[16] **Q:** Were there conditions that had to
[17] be met before the issuance of the shares?
[18] **A:** Yes.
[19] **Q:** Do you recall what they were?
[20] **A:** There were a number of closing
[21] conditions in the securities purchase agreement.
[22] Some of those would have been receiving money,
[23] receiving a consent from Hearst, filing an 8-K
[24] regarding the consent, execution of the
[25]

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Norman

[1] securities purchase agreement and all of the —
[2] all other related documents, to name some.
[3] **MR. LOPEZ:** Would you mark
[4] that for identification.
[5] (E-mail and attachment was
[6] marked as Plaintiff's Exhibit No. 1
[7] for identification, as of this
[8] date.)
[9] **MR. MANSFIELD:** Can you tell
[10] me what that is?
[11] **MR. LOPEZ:** Bates No. 4.
[12] **Q:** Can you identify that document?
[13] **A:** Well, the cover is an E-mail from
[14] David Katzoff to Rich Tilton who is my transfer
[15] agent or the company's transfer agent, and
[16] attached is what's called transfer agent
[17] instructions and a schedule of buyers and
[18] resolutions of the board of directors.
[19] **Q:** Beginning with the E-mail, is
[20] there a notation on it of the date and time it
[21] was sent?
[22] **A:** July 31, 2007, 5:44 p.m.
[23] **Q:** How did that notation get onto the
[24] E-mail?
[25]

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Norman

[1] **A:** I imagine the E-mail system
[2] automatically puts it on.
[3] **Q:** Taking that package of documents,
[4] in your opinion, was that an instruction to
[5] issue shares?
[6] **MR. MANSFIELD:** Object to
[7] the form of the question.
[8] **Q:** Was that an instruction to issue
[9] shares?
[10] **A:** No.
[11] **Q:** What was lacking?
[12] **MR. MANSFIELD:** Object to
[13] the form of the question.
[14] **A:** The closing conditions.
[15] **MR. LOPEZ:** Number two.
[16] (E-mail was marked as
[17] Plaintiff's Exhibit No. 2 for
[18] identification, as of this date.)
[19] **Q:** Can you identify Plaintiff's 2?
[20] **A:** This is an E-mail from David
[21] Katzoff to Rich Tilton, the company's transfer
[22] agent.
[23] **Q:** Does it shed any light on whether
[24] instructions had been given for the issuance of
[25]

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Norman

[1] shares?
[2] **MR. MANSFIELD:** Object to
[3] the form of the question.
[4] **A:** Yes.
[5] **Q:** What indication does it make?
[6] **A:** It says the instruction letter I
[7] sent over before actually does not instruct you
[8] to issue any shares yet, and it states, "once we
[9] received payment, I will send over an issuance
[10] letter to issue the shares".
[11] **Q:** What date and time is that E-mail?
[12] **A:** July 31, 2007, 6:38 p.m.
[13] **Q:** When you say 6:38 p.m. —
[14] **A:** Pacific.
[15] **Q:** — you are dealing with Pacific
[16] time? That would be 9:38 p.m. East Coast time;
[17] is that correct?
[18] **A:** Correct.
[19] **MR. LOPEZ:** No. 3, please.
[20] That one is 21.
[21] (E-mail was marked as
[22] Plaintiff's Exhibit No. 3 for
[23] identification, as of this date.)
[24] **Q:** Can you identify that, Plaintiff's
[25]

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[1] Norman
 [2] 31?
 [3] A: It is an E-mail from David Katzoff
 [4] to Rich Tilton copying Rushika — I can't quite
 [5] pronounce her last name — who is with my
 [6] corporate counsel.
 [7] Q: Does it constitute authority to
 [8] issue shares?
 [9] MR. MANSFIELD: Object to
 [10] the form of the question.
 [11] A: No.
 [12] Q: What leads you to that belief?
 [13] A: Because the closing conditions
 [14] have not been met.
 [15] Q: Does it not explicitly state it is
 [16] not authority?
 [17] MR. MANSFIELD: Object to
 [18] the form of that question.
 [19] A: Yes.
 [20] Q: What does it say?
 [21] A: "Please do not release the
 [22] certificates until we give you approval."
 [23] Q: What was the date and time of
 [24] that?
 [25] A: August 1st, 2007, 9:36 a.m.

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[1] Norman
 [2] Q: Which would be 12:46 Eastern time?
 [3] A: Correct.
 [4] MR. LOPEZ: Plaintiff's 4,
 [5] please.)
 [6] (E-mail was marked as
 [7] Plaintiff's Exhibit No. 4 for
 [8] identification, as of this date.)
 [9] MR. MANSFIELD: What is the
 [10] Bates on that one?
 [11] MR. LOPEZ: Thirty-one.
 [12] Q: Can you identify that?
 [13] A: It is an E-mail from David Katzoff
 [14] to Rich Tilton copying Rushika.
 [15] Q: Does that constitute an
 [16] instruction to issue shares?
 [17] MR. MANSFIELD: Objection to
 [18] the form of the question.
 [19] A: Yes.
 [20] Q: What is the date and time of that
 [21] E-mail?
 [22] A: August 1st, 2007, 1:45 p.m.
 [23] Q: Pacific time?
 [24] A: Pacific.
 [25] Q: So that would be 4:45 Eastern

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[1] Norman
 [2] time?
 [3] A: Correct.
 [4] MR. LOPEZ: Exhibit 5,
 [5] please. This is 32.
 [6] (E-mail was marked as
 [7] Plaintiff's Exhibit No. 5 for
 [8] identification, as of this date.)
 [9] Q: Going back for a moment to
 [10] Plaintiff's 4, did you authorize Mr. Katzoff to
 [11] send that, to send the authorization for
 [12] issuance?
 [13] A: Yes.
 [14] Q: Were you present when it was sent?
 [15] A: I was in the same office.
 [16] Q: In the same room?
 [17] A: No. He works outside of my
 [18] office.
 [19] Q: Going to Plaintiff's 5, can you
 [20] identify that document?
 [21] A: It is an E-mail from Rich Tilton
 [22] to David Katzoff copying Rushika.
 [23] Q: What is the substance of that
 [24] E-mail?
 [25] A: It refers to an attachment.

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[1] Norman
 [2] Q: What are the attachments?
 [3] A: The media versions of the share
 [4] certificates.
 [5] Q: Showing they had been issued?
 [6] A: Yes.
 [7] Q: What is the time of that E-mail
 [8] and date?
 [9] A: August 1st, 2007, 2:44 p.m.
 [10] Q: Pacific time?
 [11] A: Pacific.
 [12] Q: So that would be 5:44 Eastern?
 [13] A: Correct.
 [14] MR. LOPEZ: Plaintiff's 6.
 [15] (Submission notification was
 [16] marked as Plaintiff's Exhibit No. 6
 [17] for identification, as of this
 [18] date.)
 [19] MR. MANSFIELD: What is it?
 [20] MR. LOPEZ: Fifty-three.
 [21] Q: Can you identify that document?
 [22] A: This is a submission notification
 [23] from the SEC.
 [24] Q: Does it bear a time on it for
 [25] acceptance of a submission?

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Norman

[1] *Norman*
 [2] **A:** Yes.
 [3] **Q:** What is that time?
 [4] **A:** August 1st, 2007, 1632.
 [5] **Q:** That would be 4:32 Eastern time?
 [6] **A:** Correct.
 [7] **Q:** What was submitted at that time?
 [8] **A:** A form 8-K.
 [9] **Q:** Was it a condition of the closing,
 [10] a contractual condition, rather, of the issuance
 [11] of shares that all necessary consents have been
 [12] obtained?
 [13] **A:** Yes.
 [14] **Q:** Did those consents include a
 [15] consent from Hearst Corporation to allow the
 [16] funding to go forward?
 [17] **A:** Yes.
 [18] **Q:** Was it a term of that consent that
 [19] the 8-K had to be filed before it was effective?
 [20] **A:** Yes.
 [21] **Q:** Is there any doubt in your mind
 [22] from the documents in front of you and from your
 [23] own recollection that the 8-K posted or was
 [24] accepted by the Securities and Exchange
 [25] Commission before issuance instructions were

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Norman

[1] *Norman*
 [2] given for the shares in question?
 [3] **MR. MANSFIELD:** Object to
 [4] the form of the question.
 [5] **A:** No.
 [6] **Q:** No doubt whatsoever?
 [7] **A:** No.
 [8] **MR. LOPEZ:** Plaintiff's 7.
 [9] (A Consent to equity sales
 [10] with Bates No. 76 was marked as
 [11] Plaintiff's Exhibit No. 7 for
 [12] identification, as of this date.)
 [13] **MR. MANSFIELD:** What is it?
 [14] **MR. LOPEZ:** The consent
 [15] appearing at — the Bates No. is 76.
 [16] **Q:** Can you identify Plaintiff's 7?
 [17] **A:** It is a consent to equity sales.
 [18] **Q:** Did you sign the original of it?
 [19] **A:** Yes.
 [20] **Q:** Acting on behalf of Local.com?
 [21] **A:** Yes.
 [22] **Q:** Had you read it and understood it
 [23] before signing?
 [24] **A:** Yes.
 [25] **Q:** At the time that you signed it,

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Norman

[1] *Norman*
 [2] what was your understanding of when the warrant
 [3] repricing appearing at page 2, paragraph 3 would
 [4] be effective?
 [5] **A:** On July 31, 2007.
 [6] **Q:** What was the basis of your
 [7] understanding that was the case?
 [8] **A:** Because that's the date of the
 [9] document and that wasn't the date it was
 [10] executed.
 [11] **Q:** To your mind, at the time that you
 [12] signed it, was paragraph 3 the repricing of the
 [13] warrants in any way affected by paragraph 2, the
 [14] consent provision?
 [15] **MR. MANSFIELD:** Object to
 [16] the form of the question. The
 [17] document speaks for itself.
 [18] **MR. LOPEZ:** I am asking for
 [19] his understanding at the time he
 [20] signed it.
 [21] **A:** No.
 [22] **Q:** No, paragraph 3 does not — is not
 [23] modified by 2?
 [24] **A:** (Non-verbal response.)
 [25] **MR. FRIED:** You have to

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Norman

[1] *Norman*
 [2] speak up. You can't just shake your
 [3] head.
 [4] **A:** No.
 [5] **Q:** It was your understanding at the
 [6] time that you signed that the warrant repricing
 [7] contained in paragraph 31 was unconditional?
 [8] **A:** It was conditioned on the consent
 [9] being signed by both parties.
 [10] **Q:** Was it conditional on the consent
 [11] becoming effective, to your understanding?
 [12] **A:** No.
 [13] **Q:** Thank you.
 [14] **MR. LOPEZ:** Off the record.
 [15] (Off the record.)
 [16] **MR. LOPEZ:** Plaintiff's 8.
 [17] It's 66.
 [18] (Notification form was
 [19] marked as Plaintiff's Exhibit No. 8
 [20] for identification, as of this
 [21] date.)
 [22] **Q:** I show you Plaintiff's 8 and ask
 [23] whether you can identify it?
 [24] **A:** It's the notification form for the
 [25] listing of additional shares for the NASDAQ

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[1] **Norman**
[2] stock market.
[3] **Q:** Does that notification form relate
[4] to the issuance of August 1 of the 2,356,900
[5] shares?
[6] **A:** Yes.
[7] **Q:** On its first page does it list
[8] number of shares outstanding prior to that
[9] issuance?
[10] **A:** Yes.
[11] **Q:** That number is?
[12] **A:** 11,784,656.
[13] **Q:** Again, on the first page, does it
[14] list number of shares outstanding after that
[15] issuance?
[16] **A:** Yes.
[17] **Q:** That number is?
[18] **A:** Approximately 14,141,556.
[19] **Q:** You signed that form?
[20] **A:** Yes.
[21] **MR. LOPEZ:** Plaintiff's 9.
[22] (Capitalization table was
[23] marked as Plaintiff's Exhibit No. 9
[24] for identification, as of this
[25] date.)

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[1] **Norman**
[2] **Q:** I show you Plaintiff's 9 and ask
[3] if you can identify it?
[4] **A:** It's a capitalization table.
[5] **Q:** Under what circumstances was it
[6] prepared?
[7] **A:** As part of my monthly close,
[8] accounting close.
[9] **Q:** When was it prepared?
[10] **A:** This one was prepared for the
[11] August close which would have meant it would be
[12] done sometime in early September.
[13] **Q:** Of 2007?
[14] **A:** Of 2007.
[15] **Q:** What does it show for shares
[16] outstanding at the end of July 2007?
[17] **A:** 11,789,656.
[18] **Q:** What does it show for the end of
[19] month for August 2007?
[20] **A:** 14,181,805.
[21] **Q:** Do you believe those figures to be
[22] accurate?
[23] **A:** Yes.
[24] **Q:** It refers to a form 8-K that was
[25] filed on August 1, 2007. Did you compose or

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[1] **Norman**
[2] write any portion of that form 8-K?
[3] **A:** No.
[4] **MR. LOPEZ:** No further
[5] questions. Thank you.
[6] **MR. FRIED:** Do you want a
[7] break before we continue?
[8] **THE WITNESS:** No.
[9] **CROSS-EXAMINATION BY MR. MANSFIELD:**
[10] **Q:** Good morning, Mr. Norman.
[11] **A:** Good morning.
[12] **Q:** You said that you are the CFO of
[13] Local.com?
[14] **A:** Yes.
[15] **Q:** That was the case on July 31st and
[16] August 1st, 2007?
[17] **A:** Yes.
[18] **Q:** Would you briefly describe what
[19] your responsibilities are as the CFO of
[20] Local.com?
[21] **A:** Prepare financials, organize board
[22] meetings, adhere to corporate governance, make
[23] sure we are complying with all legal and
[24] regulatory rules and requirements, to watch over
[25] the company's assets, to do budgeting, financial

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[1] **Norman**
[2] projections, to name a few.
[3] **Q:** How long did you hold that
[4] position?
[5] **A:** Little over five years at this
[6] point.
[7] **Q:** Would you briefly describe for the
[8] record your educational background?
[9] **A:** I have an undergraduate degree in
[10] business and a master's in business
[11] administration.
[12] **Q:** What responsibility, if any, do
[13] you have with suspect to the issuance of shares
[14] of Local.com?
[15] **A:** I would oversee the process.
[16] **Q:** Who else would be involved in the
[17] process?
[18] **A:** The board of directors, my
[19] corporate counsel, David Katsoff, a consultant
[20] that works for me, the transfer agent, and
[21] possibly other — probably the CEO of the
[22] company.
[23] **Q:** Any one else?
[24] **A:** No.
[25] **Q:** Who is David Katsoff?

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[1] Norman

[2] A: He is a consultant that works for

[3] me.

[4] Q: When you say he works for you, is

[5] he an independent contractor or does he work —

[6] A: Yes, he is an independent

[7] contractor.

[8] Q: — for Local.com?

[9] MR. SPIZZ: Let him finish

[10] his questions.

[11] Q: Have you been deposed before?

[12] A: Yes.

[13] Q: How many times?

[14] A: Once.

[15] Q: In what connection?

[16] A: In connection with the lawsuit.

[17] Q: Was it a Local.com lawsuit?

[18] A: No.

[19] Q: What is the role of David Katzoff

[20] in Local.com? You say he is a consultant; what

[21] does he do?

[22] A: He helps with preparing monthly

[23] financials. He also helps with the Securities

[24] and Exchange filings and other work that's

[25] related to being a public corporation.

Page 21

[1] Norman

[2] Q: Does he work for a company or

[3] business?

[4] A: No.

[5] Q: He is a sole proprietor?

[6] A: Yes.

[7] Q: Does he maintain an office at

[8] Local.com?

[9] A: He has a cubicle.

[10] Q: During the time period of July 31,

[11] 2007 to August 1, 2007 did he maintain an office

[12] at Local.com?

[13] A: Yes.

[14] Q: Do you know whether the E-mails

[15] that have been produced in this case were

[16] written to or from David Katzoff from his

[17] Local.com cubicle?

[18] A: Yes.

[19] Q: Were they?

[20] A: To my recollection, they were.

[21] Q: So he was physically present at

[22] Local.com during that two-day period?

[23] A: Yes.

[24] Q: Did there come a time in

[25] preparation for this deposition that you were

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[1] Norman

[2] shown a document demand that had been issued to

[3] Local.com?

[4] A: Yes.

[5] Q: Did you review that?

[6] A: Yes.

[7] Q: Can you tell me what steps were

[8] taken with suspect to the document demand to

[9] collect documents?

[10] A: I discussed them with counsel and

[11] I reviewed E-mails and I also discussed them

[12] with David, and I probably talked to my

[13] corporate counsel as well.

[14] Q: Did you talk to anyone at

[15] Local.com about the document demand?

[16] MR. FRIED: Other than

[17] David Katzoff whom he already

[18] testified?

[19] MR. MANSFIELD: I thought

[20] David Katzoff was a consultant who

[21] was not an employee of Local.com.

[22] MR. FRIED: You meant

[23] employed by, not present at?

[24] MR. MANSFIELD: Let's be

[25] very clear.

Page 23

[1] Norman

[2] MR. FRIED: Okay.

[3] Q: Who employed by Local.com

[4] performed any role whatsoever with respect to

[5] complying with the document demand?

[6] A: Myself.

[7] Q: Was there anyone else?

[8] A: Not to my recollection.

[9] Q: Do you know whether anyone on the

[10] board of directors reviewed the document demand?

[11] A: No.

[12] Q: You don't know or they did not?

[13] A: No, they did not.

[14] Q: Do you know whether the CEO of the

[15] company reviewed the document demand?

[16] A: He might have.

[17] Q: To whom did you show the document

[18] demand?

[19] A: I might have shown it to the CEO.

[20] Q: Anyone else?

[21] A: I don't remember.

[22] Q: How did you go about the

[23] collection of documents once you saw the

[24] document demand?

[25] A: I reviewed my E-mails and David

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[1] Norman
[2] reviewed his E-mails.
[3] Q: These are E-mails that David would
[4] have maintained on a Local.com server; is that
[5] right?
[6] A: The company maintains them on a
[7] server.
[8] Q: Other than reviewing E-mails, is
[9] there anyplace else you looked for documents
[10] responsive to the document demand?
[11] A: I looked in my file for any hard
[12] copies of documents.
[13] Q: Did you look in anyone else's
[14] files?
[15] A: No.
[16] Q: During the course of events on
[17] July 31 and August 1, 2007 do you know whether
[18] any other hard copy files of documents relating
[19] to the 2,356,900 shares would have been
[20] maintained?
[21] A: I don't believe so.
[22] Q: So you are the only one who would
[23] have had hard copy files; is that right?
[24] MR. FRIED: Object to the
[25] form.

Page 25

[1] Norman
[2] MR. MANSFIELD: You can
[3] answer.
[4] A: Would you state the question
[5] again?
[6] Q: You are the only one at Local.com
[7] who would have had hard copy files relating to
[8] the closing on those two days?
[9] MR. FRIED: Object to the
[10] form of the question.
[11] A: There may have been hard copies on
[12] David Katzoff's desk as well.
[13] Q: The two of you would then be the
[14] only ones either employed by or affiliated with
[15] Local.com who would have had hard copies of
[16] documents relating to the closing on August 1,
[17] 2007; is that right?
[18] A: Yes.
[19] Q: Does Local.com have a stock book?
[20] A: No — can I ask a question? Can
[21] you define book?
[22] Q: Are you familiar with the concept
[23] of a stock book?
[24] A: Yes.
[25] Q: What do you understand it to mean?

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[1] Norman
[2] A: A stock book would be a hard copy
[3] of a ledger.
[4] Q: Does Local.com to your knowledge
[5] have such a stock book?
[6] A: No.
[7] Q: Does Local.com have anything in
[8] its place?
[9] A: Yes.
[10] Q: What is that?
[11] A: An Excel spreadsheet.
[12] Q: What does the Excel spreadsheet —
[13] does it have a name?
[14] A: Yes, it does.
[15] Q: What is it called?
[16] A: Weighted Average Shares
[17] Outstanding 2007 would be the one for this.
[18] Q: That is an Excel spreadsheet
[19] that's maintained by you?
[20] A: No.
[21] Q: Who maintains it?
[22] A: David.
[23] Q: Does he maintain it on a Local.com
[24] server?
[25] A: Yes.

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[1] Norman
[2] Q: Do you have access to it?
[3] A: Yes.
[4] Q: Do others have access to it as
[5] well?
[6] A: Yes.
[7] Q: When we are talking about David,
[8] we are talking about David Katzoff?
[9] A: Correct.
[10] Q: For how long has David Katzoff
[11] been a consultant of the company?
[12] A: About four and a half years.
[13] Q: Other than you is there anyone at
[14] Local.com with whom David works — other than
[15] you, is there anyone at Local.com with whom
[16] David works?
[17] A: Yes.
[18] Q: Who would that be?
[19] A: Most other employees in the
[20] company.
[21] Q: Does he come to Local.com on a
[22] daily basis?
[23] A: Generally, yes.
[24] Q: Describe for me what the Excel
[25] spreadsheet that is used in place of a stock

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Norman

- [1] **Norman**
- [2] book — describe for me what its contents are;
- [3] what does it reflect?
- [4] **A:** It reflects all common stock that
- [5] is issued and outstanding.
- [6] **Q:** What is the source of information
- [7] to populate the fields in that Excel
- [8] spreadsheet?
- [9] **A:** Documentation relating to equity
- [10] sales.
- [11] **Q:** What does that mean?
- [12] **A:** For example, like the securities
- [13] purchase agreement.
- [14] **Q:** So in the normal course of
- [15] Local.com business, if there is a securities
- [16] purchase agreement that document would be given
- [17] to David Katzoff who in turn would make entries
- [18] on the Excel spreadsheet?
- [19] **MR. FRIED:** Object to the
- [20] form.
- [21] **A:** Correct. Yes.
- [22] **Q:** Did you understand the question?
- [23] **A:** Yes.
- [24] **Q:** Is that correct?
- [25] **A:** Yes.

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Norman

- [1] **Norman**
- [2] **Q:** Does anyone else make entries on
- [3] that to that Excel form?
- [4] **A:** No.
- [5] **Q:** Have you from time to time made
- [6] entries on the Excel spreadsheet?
- [7] **A:** No.
- [8] **Q:** Is David Katzoff directed by
- [9] anyone at Local.com to make entries on the Excel
- [10] spreadsheet?
- [11] **A:** Yes.
- [12] **Q:** Who gives David Katzoff that
- [13] direction?
- [14] **A:** Me, in some cases.
- [15] **Q:** Anyone else?
- [16] **A:** No.
- [17] **Q:** Does that spreadsheet reflect
- [18] warrants of Local.com?
- [19] **A:** No.
- [20] **Q:** Is there any other spreadsheet
- [21] that's maintained by Local.com that would
- [22] reflect warrants?
- [23] **A:** Yes.
- [24] **Q:** What is that called?
- [25] **A:** A warrant ledger.

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Norman

- [1] **Norman**
- [2] **Q:** Who maintains the warrant ledger?
- [3] **A:** David does.
- [4] **Q:** Is that electronic or hard copy?
- [5] **A:** Electronic.
- [6] **Q:** The same with the stock book
- [7] spreadsheet, that is electronic, correct?
- [8] **A:** Yes.
- [9] **Q:** Has Local.com engaged a transfer
- [10] agent?
- [11] **A:** Yes.
- [12] **Q:** Who is the transfer agent?
- [13] **A:** Computer Share.
- [14] **Q:** For how long has Computer Share
- [15] been Local.com's transfer agent?
- [16] **A:** I'm are not sure of the exact date
- [17] from the fact that it used to be U.S. Stock
- [18] Transfer and Computer Share purchased them
- [19] sometime, I believe, in 2007.
- [20] **Q:** If you recall, who was the stock
- [21] transfer agent for Local.com on August 1st,
- [22] 2007?
- [23] **A:** U.S. Stock Transfer.
- [24] **Q:** Is there a particular employee of
- [25] U.S. Stock Transfer with whom Local.com deals?

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Norman

- [1] **Norman**
- [2] **A:** Rich Tilton.
- [3] **Q:** Anyone else at U.S. Stock with
- [4] whom Local.com deals?
- [5] **MR. FRIED:** At the time in
- [6] question or now or ever?
- [7] **MR. MANSFIELD:** On August 1,
- [8] on or about August 1, 2007.
- [9] **A:** Yes.
- [10] **Q:** Who is that?
- [11] **A:** The reason I said yes is if we
- [12] have questions we can call up and somebody in a
- [13] particular office could answer. I don't
- [14] remember anybody's particular name.
- [15] **Q:** What is Rich Tilton's role with
- [16] respect to Local.com?
- [17] **A:** I believe he is customer service.
- [18] **Q:** What is it that the transfer agent
- [19] does for Local.com? And for the purpose of
- [20] these questions, I am focusing on the summer of
- [21] 2007. What is the transfer agent engaged to do
- [22] for Local.com?
- [23] **A:** To effect the transfer of shares
- [24] and the issuance of shares.
- [25] **Q:** Do you know whether the transfer

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Norman

- [1]
- [2] agent maintains a registry of shares of
- [3] Local.com?
- [4] **A:** Yes.
- [5] **Q:** Does it?
- [6] **A:** Yes.
- [7] **Q:** Is that done in hard copy or
- [8] electronic or both, if you know?
- [9] **A:** I don't know.
- [10] **Q:** Have you seen a copy of a
- [11] registration ledger maintained by the transfer
- [12] agent?
- [13] **A:** Yes.
- [14] **Q:** Does Local.com get copies of that
- [15] on a regular basis?
- [16] **A:** We get copies of a ledger for our
- [17] annual general meeting purpose. And since we
- [18] have one meeting a year, we get one each year,
- [19] if that constitutes regular.
- [20] **Q:** When is the annual meeting for
- [21] Local.com?
- [22] **A:** This next one is June 3, 2008.
- [23] **Q:** It was the job of the transfer
- [24] agent to issue certificates; is that what it
- [25] does for Local.com?

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Norman

- [1] **MR. FRIED:** Object to the
- [2] form.
- [3] **Q:** Tell me exactly what it is that
- [4] transfer agent has been engaged to do for
- [5] Local.com.
- [6] **A:** Well, again, effect the transfer
- [7] of shares and/or the issuance of shares.
- [8] **Q:** How does it go about its task of
- [9] dealing with the issuance of shares? What does
- [10] a transfer agent do?
- [11] **MR. FRIED:** Object to the
- [12] form.
- [13] **Q:** Do you understand the question?
- [14] **A:** It would issue the shares, whether
- [15] it's a certificate or electronic. Depending on
- [16] what the buyer requests, the transfer agent
- [17] would effect that.
- [18] **Q:** What do you mean by that?
- [19] **A:** If we were to tell them to issue
- [20] shares, they could issue either a certificate,
- [21] paper certificate, or they could issue it
- [22] electronically, depending on circumstances.
- [23] **Q:** What do you mean by the electronic
- [24] issuance of shares?
- [25]

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Norman

- [1]
- [2] **A:** I believe the phrase is called
- [3] DTC.
- [4] **Q:** What is your understanding of DTC?
- [5] **A:** DTC is the shares would — the
- [6] transfer agent posts in some system the shares,
- [7] like the number of shares, and who — what
- [8] company is issuing them, and then the buyer
- [9] would go and retrieve those.
- [10] **Q:** Alternatively, the transfer agent
- [11] could issue physical certificates; is that
- [12] right?
- [13] **A:** Yes.
- [14] **Q:** Has Local.com itself ever issued
- [15] physical certificates?
- [16] **A:** Yes.
- [17] **Q:** Under what circumstances does
- [18] Local.com issue physical certificates?
- [19] **A:** When the company was private, the
- [20] company issued physical certificates. Once the
- [21] company went public, it engaged a transfer agent
- [22] to handle all that.
- [23] **Q:** At that point the company stopped
- [24] issuing certificates, correct?
- [25] **A:** Correct.

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Norman

- [1]
- [2] **Q:** Do you know when the 2,356,900
- [3] shares were first reflected on the Excel
- [4] spreadsheet at Local.com?
- [5] **A:** On August 1st.
- [6] **Q:** At what time?
- [7] **A:** It would be sometime after — I
- [8] believe it was 1:45.
- [9] **Q:** Did you physically make the
- [10] entries?
- [11] **A:** I did not.
- [12] **Q:** Is it your understanding that
- [13] David Katzoff made the entries?
- [14] **A:** Yes.
- [15] **Q:** Were you there with him when he
- [16] made the entries?
- [17] **A:** No.
- [18] **Q:** Did he tell you when he made the
- [19] entries?
- [20] **A:** No.
- [21] **Q:** Is there something about the —
- [22] withdrawn.
- [23] Is there something about the Excel
- [24] ledger which would tell you when entries were
- [25] made?